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REPORT NO. 2

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1. Eugenio Reale will go on an extensive journey with Norberto d'Alessandri to Poland, Hungary and Rumania. This journey has been delayed because of the serious illness of Mrs. Reale.
2. Nullo Muratori has become Managing Director of Simes, Rome, replacing Angelo d'Alessandro, and thereby relieving the latter of the responsibilities of having 40 per cent of the firm's shares, which are held in the name of the Managing Director.
3. Giuseppe Martinoli has definitely left the Simes-Nordexport group of firms. Martinoli's wife is alleged to have opened a dress shop, thanks to a commission of 15 million lire which Martinoli received from the RIV firm.
4. Arturo Signorelli has joined the Graziadei firm, 4 Corso Giacomo Matteotti, Milan, where he is paid a salary of 250,000 lire per month. Graziadei runs a private firm which works closely with the Italian Communist Party. Graziadei appears to have good business contacts in the United States.
5. Ezio Mantovani has tendered his resignation. The pending dismissal or resignation of Augusto Doro, and the aspirations of Norberto d'Alessandri to take his place are being commented upon by the Simes-Nordexport group. Angelo d'Alessandro is expecting his brother-in-law, a British subject, to arrive in Italy for "business discussions" and has stated that he will probably leave Simes and join his brother-in-law.
6. The legal adviser to the Socofin (Societa Commerciale Finanziaria) firm is a certain Avvocato d'Ambrosio, who has recently been very active in Rome, at the Hungarian, Rumanian, and Czech slovak Legations.
7. A certain Galassi, former member of the Simes firm, is the Intec (Societa Industriale Tecnica) representative in Rome.

8. The 1950 turnover of the Simes firm amounted to more than 2,000 million lire.

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Gross profits came to over 100 million lire; and net profits to 78 million lire.

9. The following commissions were received by Simes during the months January to April 1951:
 - a. 7,000 tons of lemons for the USSR - 20 million lire;
 - b. Cork for Poland, via the Scano firm¹ - 7.5 million lire;
 - c. Imports of pigs from Poland - 400,000; and
 - d. Imports of eggs from Poland - 25,000.

Trade with Satellites

10. Pyrites are being bought by Piero Spinoni of the URS (Unione Rappresentanze Estere) firm and by Bruno Mulaz of Saccfin for Rumania and Hungary respectively. URS is interested in 10,000 tons of pyrites, which at the beginning of May were in Trieste, and was considering making use of the assistance of the Austrian Mercantile Company, 96 Via IV Novembre, Rome, to conduct a "re-export operation." As of mid-May 1951, this operation had not been completed, as the URS firm appeared to be meeting difficulties.
11. The Soviet Commercial Delegation in Italy has requested the assistance of the Simes-Mordexport group in obtaining streptomycin. URS is trying to obtain streptomycin and penicillin for Chimimport, the Rumanian chemical organization.
12. Poland and other satellite countries, the Chimimport firm in particular, have requested sulfonamides. As it is impossible to obtain sulfonamides directly from Italy, the question of re-export is being examined.

USSR

13. In addition to streptomycin, the USSR is interested in obtaining copper, volatile oils, and essences. A certain Ingigiare Corvisano² of Mercurio Europeo³ has offered 1,000 tons of copper of United States origin for re-export to the USSR. However, as his price was \$1,350 per ton, the offer was declined, with the explanation that the Soviets can get Chilean copper at \$1,090 per ton, and have, in fact, bought many thousands of tons via Switzerland.
14. Mercurio Europeo has now proposed to Simes a transit operation via Genoa with regard to dyes and sodium perborate from the United States.

Poland

Chemicals and Pharmaceuticals

15. During his stay in Italy at the end of April 1951, Maurice Krakowski, special delegate of the Polish chemical organization RUCH, completed a deal with AGN (Azienda Colori Nazionali Affini) for dye intermediates to a value of 500,000. In mid-May 1951, samples were dispatched to Poland. The first consignment is valued at 100,000.
16. The Simes firm has been asked to complete negotiations started by Krakowski for the following items:
 - a. 100 tons of barium carbonate with the Societa Bario e Derivati, Milan;
 - b. Phthalic anhydride with Bombrani-Farotti-Delfino, Colleferro (Rome). Poland will supply the naphthalene.

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c. Acetic anhydride with Codexbi, 3 Via Dogana, Milan.

All the above-mentioned contracts are to be concluded on the basis of the Italo-Polish clearing account.

17. CIECH has also requested Simos to obtain cobalt salts (intermediates rather than the finished products) for use in painting aircraft. No quantity was specified.

Forwarding Agency

18. SACE (Societa Anonima Italiana Prodotti Chimici), 3 Via Luosi, Milan, proposed using the Danzas firm for forwarding its Polish orders, but Edward Weiss, Polish Commercial Counsellor in Rome, made the S. G. firm accept TICE (Trasporti Internazionali Centro Europa) instead.
19. During the course of his visit, Krakowski stated that he had previously spent a considerable period of time in Switzerland. During this period, he had obtained close collaboration from the CIBA firm for the supplying of dye intermediates of all types, phenacetin, aspirin and bicretin (sic).
20. Krakowski stated that he had been in Italy during 1949 with the Trade Delegation which negotiated the Italo-Polish Trade Agreement.

Ball Bearings

21. During the Milan Fair, the Polish delegates stated that the Polish firm Polimex had made direct contacts with RIV concerning deliveries of ball bearings. It is apparent that the problem of exports to Poland has not been solved. Edward Weiss has spoken of possibly arranging for re-exports via Israel. His deputy, a certain Wieczorek, mentioned during May 1951 that one of the directors of RIV had stated that, should the Italian Government object to the granting of export licenses, there would be strikes and worker's demonstrations, and that the factory could not function without orders from Eastern Europe.

Coal

22. Weiss has concluded several contracts with Claudio Guliole of the Consorzio Carbonifero Italiano firm for the supplying of Polish coal to Italy. Guliole applied for and obtained a visa for a visit to Poland during March 1951. Eighty thousand tons of coal will be sent by sea to Genoa from Poland.
23. On 10 May 1951, the Dalmine firm concluded a barter deal with Poland according to which Dalmine agreed to supply tubes to Poland against 6,000 to 13,000 tons of Polish coal. Dalmine is now offering the coal for sale at \$18.25 per ton f.o.b. Polish ports.

General Trade

24. The Varimex firm of Warsaw is negotiating with Italian firms through Simos for the following items:
 - a. Films from the Ferrania firm - large quantities;
 - b. Pressed fiber;
 - c. Cork (wood) - 500 tons; and
 - d. Cork insulating materials - 2,000 cubic meters (coefficient of thermal conductivity required 0.36; ~~this is a tentative order~~)

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25. Varimex contacted the following Milan firms during the Milan fair for the purpose of establishing the basis for future negotiations:
- Universal Trading Company, 24 Corso Venezia;
 - Societa Hartl, 3 Via Piemonte;
 - Battiti Maggioni e C, 8 Via Larga;
 - SITIA, 4 Via Salasco;
 - Acefeld, 1 Via Livorno; and
 - Alessandro Riesz, 26 Via Fatabeneffratelli, Italian representative of the Hungarian ceramic industry.
26. Spartaco Vannoni, Warsaw representative of the Simes-Nordexport group, stated that he is leaving his post, and is expected to return to Rome.

Poland and Czechoslovakia

27. A recent agreement between Poland and Israel has facilitated the use of Israeli channels in connection with the re-export of merchandise. The Polish delegation to the Milan Fair received instructions to "suggest" that commodities which were difficult to send direct to Iron Curtain countries, be re-exported to Israel. The Poles and the Czechoslovaks acted in collaboration in this matter.

Activities of Firms Collaborating with the Simes-Nordexport Group

28. In April 1951, the CIEI (Consorzio Italiano Esportazione Importazione) obtained a license for the export of 30 tons of mercury from the Monte Amiata firm. They were offered up to 100 tons of mercury but could not secure a license for more than thirty. CIEI accepted the assistance of the Australian Mercantile Company to export the mercury to Poland via Switzerland. The mercury will be shipped "transit Switzerland."
29. Edward Weiss, with whom CIEI collaborates very closely, has requested the assistance of the latter in obtaining zinc ore for Poland, using Israel as a transit base. The Zincora and Montevecchio firms of Milan are to be approached.
30. Pavel Samet, the senior partner of CIEI, was scheduled to leave for the United States in May 1951 to open a branch office of the firm.
31. On 8 May 1951, a conference took place between Eugenio Leone, Norberto d'Alessandri, and Ottore Cacciaguerra of the COMIND firm, 1 Piazza Santa Maria Beltrade, Milan. Cacciaguerra is interested mainly in foodstuffs, but appears to be of use to the Italian Communist Party for the following reasons:
- He is very friendly with Edoardo Clerici, Under Secretary in the Ministry of Foreign Trade; this is very useful from the point of view of obtaining loading licenses; and
 - He took part in recent negotiations between FIAT and Czechoslovakia in which Czechoslovakia delivered Polish foodstuffs in return for FIAT products.
32. In May 1951, Cacciaguerra was negotiating for meat, eggs, and livestock from Poland, to be supplied by Czechoslovakia in return for FIAT products to be sent the latter country. Cacciaguerra has his own representative in Warsaw.
33. The Italo-Danubiana Company recently started negotiations with the Commercial Section of the Polish Embassy in Rome.

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1. [REDACTED] Comment: Possibly the Nicola Scano mentioned [REDACTED] is meant.

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2. [REDACTED] Comment: Possibly the Dott. Corvissano firm, 15 Via Francesco Denza, Rome, is meant. [REDACTED]

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3.

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